

**City of Springfield****FY 06 Recommended Budget**

**Function:** City Auditor  
**Department:** City Auditor  
**Department Budget:** \$994,794

**Department Mission:**

The mission of the City Auditor's department is to provide City management with the accounting and financial records necessary to make sound financial decisions.

**Department Highlights:**

The department's primary mission is to prepare financial statements, record all city transactions accurately and completely, and ensure adherence to the City budget. In addition, the department coordinates the City's annual audit performed by an independent public accounting firm. A new goal of the department is to establish an internal audit division. This division would enable the City to review departmental practices and procedures with the objective of identifying weaknesses and recommending improvements.

Another primary objective will be to conduct internal reviews of the Insurance Claims Trust Fund to ensure all claims processed by the City and its third party administrator are properly charged to the City, and year end liabilities are properly disclosed. We expect these reviews to result in significant savings for the City through more accurate claims processing, refunds of incorrect claims paid, and membership controls.

**City of Springfield**

**FY 06 Recommended Budget**

**Function: City Auditor**

**Department: City Auditor**

**SUMMARY**

	<b>Actual Expenditures FY 04</b>	<b>Adopted FY 05</b>	<b>Actual 03/31/05</b>	<b>Estimated 06/30/05</b>	<b>Proposed FY 06</b>
<b>PROGRAM SUMMARY</b>					
Accounting	\$ 850,540	\$ 1,270,226	\$ 1,016,191	\$ 1,150,131	\$ 516,301
Auditing	-	-	-	-	478,493
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 850,540</b>	<b>\$ 1,270,226</b>	<b>\$ 1,016,191</b>	<b>\$ 1,150,131</b>	<b>\$ 994,794</b>

	<b>Actual FY 04</b>	<b>Estimated FY 05</b>	<b>Proposed FY 06</b>
<b>REVENUE SUMMARY</b>			
<b>Non General Fund</b>			
Grants	\$ -	\$ -	\$ -
Bond Proceeds	-	-	-
Fees			
Reimbursements	-	-	-
<b>Total Non General Fund</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>General Fund</b>			
General Fund Fees	\$ -	\$ -	\$ -
General Fund Contribution	850,540	1,150,131	994,794
Total General Fund	\$ 850,540	\$ 1,150,131	\$ 994,794
<b>Total</b>	<b>\$ 850,540</b>	<b>\$ 1,150,131</b>	<b>\$ 994,794</b>

	<b>Adopted FY 04</b>	<b>Adopted FY 05</b>	<b>Proposed FY 06</b>
<b>FUNDED POSITIONS/FTEs:</b>			
City Auditor	1	1	1
Deputy City Auditor	0	1	1
Financial Accounting Manager	1	1	1
Sr Financial Accountant	0	0	1
Financial Accountant	2	1.7	3
Asst Financial Accountant	0	1	1
Internal Auditor (includes 1 position for Sr Internal Auditor)	0	0	4
Office Manager & Telephone Technician	2	2	1
Asst Account Clerk	3	2	2
Payroll Clerk	1	1	1
<b>Total</b>	<b>10</b>	<b>10.7</b>	<b>16</b>

	<b>Adopted FY 04</b>	<b>Adopted FY 05</b>	<b>Proposed FY 06</b>
<b>APPROPRIATION SUMMARY</b>			
Personal Services	\$ 345,449	\$ 507,485	\$ 771,994
Other Than Personal Services	\$ 505,091	\$ 762,741	\$ 222,800
Capital Outlay			
<b>TOTAL</b>	<b>\$ 850,540</b>	<b>\$ 1,270,226</b>	<b>\$ 994,794</b>

**Function:** City Auditor  
**Department:** City Auditor  
**Program:** Accounting  
**Program Budget** \$516,301

**Program Goal:**

The goal of the Accounting program is to provide accurate accounting and financial records to City departments and other agencies on a timely basis in order to support City operations.

**Program Narrative:**

The City Auditor's office maintains all accounting and financial records for the City. One of the primary functions of the department is ensuring budgetary compliance through the preparation of monthly budget to actual statements for city departments. In addition, the department processes all invoices and payrolls submitted for payment by City departments.

**Program Objectives:**

1. Record all financial transactions for the City accurately and completely.
2. Prepare monthly financial statements, including budget to actual statements within 15 days of month end.
3. Streamline the processing of payroll and accounts payables. Reduce invoice processing from 2 weeks to 1 week.

<b>Key Program Measures</b>	<b>FY 2004 <u>Actual</u></b>	<b>FY 2005 <u>Estimated</u></b>	<b>FY 2006 <u>Projected</u></b>
Monthly financial statements prepared within 15 days of month end	100%	100%	100%
Invoices processed within 7 days of receipt.	n/a	n/a	100%
Monthly financial statements prepared	12	12	12
Invoices processed	22,162	23,000	23,000

**Proposed Program Changes:**

Removal of telephone operations to the MTS department has reduced the department's FY 06 budget by \$655,528.

City of Springfield  
**Program Summary**  
**City Auditor**  
**City Auditor**  
**Accounting**

**FY 06 Recommended Budget**

	<b>Actual</b>		<b>Estimated</b>		<b>Proposed</b>
	<b>Expenditures</b>	<b>Adopted</b>	<b>Actual</b>	<b>Estimated</b>	<b>Proposed</b>
	<b>FY 04</b>	<b>FY 05</b>	<b>03/31/05</b>	<b>06/30/05</b>	<b>FY 06</b>
<b>EXPENDITURE SUMMARY</b>					
Regular Payroll	\$ 345,449	\$ 507,485	\$ 288,406	\$ 416,934	\$ 502,251
Overtime	-	-	-	-	-
Purchase of Service	504,172	761,608	727,170	731,356	9,300
Materials and Supplies	919	1,133	615	1,841	4,000
Intergovernmental	-	-	-	-	-
Other	-	-	-	-	750
Capital Outlay	-	-	-	-	-
<b>Total</b>	<b>\$ 850,540</b>	<b>\$ 1,270,226</b>	<b>\$ 1,016,191</b>	<b>\$ 1,150,131</b>	<b>\$ 516,301</b>

	<b>Actual</b>	<b>Estimated</b>	<b>Proposed</b>
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>
<b>REVENUE SUMMARY</b>			
<b>Non General Fund</b>			
Grants	\$ -	\$ -	\$ -
Bond Proceeds	-	-	-
Fees	-	-	-
Reimbursements	-	-	-
<b>Total Non General Fund</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>General Fund</b>			
General Fund Fees	\$ -	\$ -	\$ -
General Fund Contribution	850,540	1,150,131	516,301
<b>Total General Fund</b>	<b>\$ 850,540</b>	<b>\$ 1,150,131</b>	<b>\$ 516,301</b>
<b>Total</b>	<b>\$ 850,540</b>	<b>\$ 1,150,131</b>	<b>\$ 516,301</b>

	<b>Actual</b>	<b>Estimated</b>	<b>Proposed</b>
	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>
<b>FUNDED POSITIONS/FTEs</b>			
City Auditor	1	1	0.5
Deputy City Auditor		1	0.5
Financial Accountant (Manager, Asst, & Sr)	3	3.7	6
Office Manager & Telephone Technician	2	2	1
Assistant Account Clerk	3	2	2
Payroll Clerk	1	1	1
<b>Total</b>	<b>10</b>	<b>10.7</b>	<b>11</b>
Appropriation Control	\$ 850,540	\$ 1,150,131	\$ 516,301

**Function:** City Auditor  
**Department:** City Auditor  
**Program:** Auditing  
**Program Budget** \$478,493

**Program Goal:**

The goal of the Auditing program is to establish an internal audit division to review departmental procedures for efficiencies and effectiveness and to ensure compliance with city practices.

**Program Narrative:**

This new program would conduct internal financial and compliance audits of City departments during the year, including recommendations for improvements to city processes and procedures where applicable, providing other analyses of financial and operating data as directed by city management and city council. In addition to the internal audits conducted, arrange for the engagement of an independent certified public accounting firm to conduct the annual external audit of the City.

As suggested by an independent consultant, this program would conduct regular audits of health insurance claims processed by the City and its third party administrator to ensure claims are properly charged to the City's Insurance Claims Trust Fund.

**Program Objectives:**

1. Establish an internal audit division within the department.
2. Conduct scheduled internal audits/reviews of city departments for compliance with city practices and procedures.
3. Conduct specialized audits/reviews as requested during the year by management.
4. Conduct internal audit/review of health claims processing by third party administrator to ensure claims are properly charged to the City's Insurance Claims Trust Fund.
5. Obtain a clean opinion from external auditors, with an emphasis on management comment improvements.

<b>Key Program Measures</b>	<b>FY 2004 <u>Actual</u></b>	<b>FY 2005 <u>Estimated</u></b>	<b>FY 2006 <u>Projected</u></b>
Scheduled audits completed	n/a	n/a	6
Specialized audits completed	n/a	n/a	4
Health insurance claims saved	n/a	n/a	\$350,000

**Proposed Program Changes:**

This is a new program of the department with four new positions requested. Three internal auditors will be assigned to City departments and one internal auditor will be assigned to health insurance claims. Because of the specialized training required to audit health claims, this activity is not expected to begin until January 1, 2006. Moreover, to insure continuity of health claims audits, all internal auditors will be required to complete the specialized training for health claims. Key program measures are estimates only and are still being developed.

**City of Springfield**  
**Program Summary**  
**City Auditor**  
**City Auditor**  
**Auditing**

**FY 06 Recommended Budget**

	Actual							
	Expenditures		Adopted		Actual		Estimated	Proposed
	FY 04		FY 05		03/31/05		06/30/05	FY 06
EXPENDITURE SUMMARY								
Regular Payroll	\$	-	\$	-	\$	-	\$	- 269,743
Overtime		-		-		-		-
Purchase of Service		-		-		-		206,750
Materials and Supplies		-		-		-		2,000
Intergovernmental		-		-		-		-
Other		-		-		-		-
Capital Outlay		-		-		-		-
Total	\$	-	\$	-	\$	-	\$	- 478,493

	Actual		Estimated		Proposed	
REVENUE SUMMARY	FY 04		FY 05		FY 06	
Non General Fund						
Grants	\$	-	\$	-	\$	-
Bond Proceeds		-		-		-
Fees		-		-		-
Reimbursements		-		-		-
Total Non General Fund	\$	-	\$	-	\$	-
General Fund						
General Fund Fees	\$	-	\$	-	\$	-
General Fund Contribution		-		-		478,493
Total General Fund	\$	-	\$	-	\$	478,493
Total	\$	-	\$	-	\$	478,493

	Actual	Estimated	Proposed
FUNDED POSITIONS/FTEs	FY 04	FY 05	FY 06
City Auditor			0.5
Deputy City Auditor			0.5
Sr Internal Auditor			1
Internal Auditor			3
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